



# **Associate Deputy Minister Public Works and Government Services Canada**

## **ADDRESS TO THE WORLDWIDE SECURITY COOPERATION CONFERENCE**

**ALEXANDRIA, VIRGINIA  
OCTOBER 17, 2002**



## **PERSPECTIVES OF A FRIEND AND ALLY**



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# **A STRONG FOUNDATION FOR COOPERATION**


- **A model of cooperation  
public safety**
- **An inextricable bond with  
respect to national security**
- **Canadian support and initiatives in the wake  
of September 11**



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# **GENESIS OF THE CONTROLLED GOODS PROGRAM**

- **Up to 1999 - controlled goods and technology destined to Canada were “exempt” from much of the licensing requirements under the US ITARs**
- **April 1999 - exemption significantly reduced**
- **October 1999 - the Prime Minister and President agreed in principle to re-establish the ITAR Canadian Exemption**





# **GENESIS OF THE CONTROLLED GOODS PROGRAM - CONT'D**

- **Harmonization of US Munitions List and Canada's Export Control List**
- **Amendment of Part 2 of the Defence Production Act to create the Controlled Goods Program**
- **May 31, 2001 - Canadian and US regulation came into effect - exemption partially restored**



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# **BENEFITS OF THE CONTROLLED GOODS PROGRAM**

- **Help maintain the exemption for Canada**
- **Enhance Canada's competitive position relative to other partner countries and promote viability of Canadian industries**
- **Maintain confidence in Canada's ability to protect controlled goods and technologies**



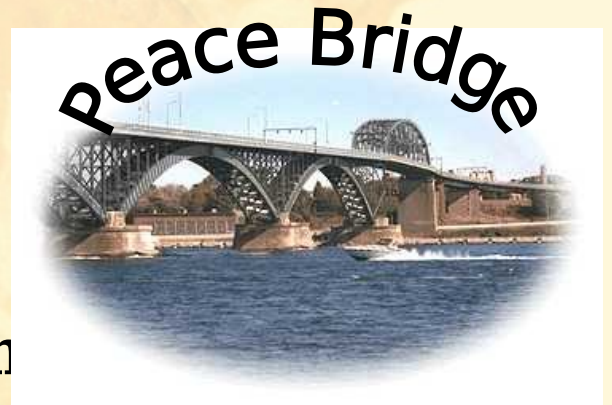
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# COOPERATION WITH THE US



- **Secure North American perin**
- **Facilitate transfer of goods between US and Canada**
- **Canada a possible model for ITAR exemption with other countries (UK and Australia)**
- **Outreach with US government to US companies to promote the use of the exemption**



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# **CANADA'S PARTICIPATION IN SECURITY ASSISTANCE**

- **US national interests in Security Assistance/Foreign Military Sales and Canada's interests - a win-win situation**
- **Role of Public Works and Government Services Canada in defence procurement**
- **The Canadian procurement system and how Foreign Military Sales fits within this system**
- **FMS is a key element of the Canadian defence support strategy**





# CANADA'S PARTICIPATION IN SECURITY ASSISTANCE - CONT'D

- **Enduring Freedom and G8 Summit**
- **Impact of FMS restrictions on US suppliers who wish to bid on Canadian competitive procurements**







# FMS BUSINESS VOLUME AND STATISTICS

- \$2 billion (CDN) in active agreements
- 663 open FMS cases
- \$120 to 150 million average renewal rate
- FY 2001/02 \$185 million

**Foreign Military Sales**

The collage includes several images: a fighter jet in flight, a large explosion on a ship's deck, a scale bar, and four different models of US Navy torpedoes labeled MK-44, MK-36, MK-48, and MK-10. To the right is a photograph of a missile being launched from a ship's deck.



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# **NEW ACTIVITY AND ACHIEVEMENTS**



- **Canada's participation in FMS r**
  - **Surcharges**
  - **Cooperative logistics**
  - **Performance measures and DSCA's Security Cooperation Deputies' Forum**
- **Chairmanship of Foreign Procurement Group**
- **New signator to the Accelerated Case Closure Program**
- **Exploring new commercial banking arrangements**



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# THE WAY AHEAD

- **Build on the excellent relationships and rapport with DSCA and other USG officials**
- **Strongly support DSCA's championship of increased customer involvement and visibility in FMS**
- **Need for a better definition of the business case value of Foreign Military Sales, so that FMS can be fairly considered as a viable alternative to other methods of supply**

